Navy Virtual SYSCOM Expansion of SeaPort-e

Navy Wide Paradigm

- Thousands of contracts for similar services for various Navy activities scattered around country
- No consistent acquisition policy or strategy across Navy enterprise
- Significant duplication in procurement costs
- Limited strategic relationships
- Business Information is limited

Current Services Challenges

- Required to meet OSD requirements for Service Contracting to be Performance-Based
- Need a more strategic approach to acquisition of services to leverage service-wide buying power
- Seeking to reduce expenditures on support efforts through increased efficiency and effectiveness of both the Government and industry
- Need to maintain or enhance the participation of small business in Navy acquisition
- Need to improve business intelligence regarding spend practices, cycle time and processes

VS Solution

- Expand existing nationwide SeaPort-e Multiple Award Contracts (MAC) to include all VS members as ordering officers
- Conduct rolling admissions to add additional MAC prime contractors as a result of the expansion of ordering offices and scope
  - preserve local vendor base and business relationships, and
  - enhance small business opportunities, including potential for additional set aside categories

Rolling Admissions

- MAC awards to new companies may be made when it is determined that specific Zone(s) have/has met the criteria:
  - Small Business Participation
  - Quality of performance by each Prime
  - Revisions to the statement of work required *
  - Need to increase the ceiling value of the contracts
  - Number, value and complexity of work assigned to each Prime
  - Adequate competition
  - Transaction costs for issuing orders

*** SeaPort-E expansion meets the requirements for opening rolling admissions in all geographic zones for both large and small businesses**

Expected Benefits

- VS-wide contracts provide for consistent application of sound acquisition strategy, business rules, and policy
- Provides the Navy the ability to develop strategic Commercial business relationships on a corporate level
- Allows the Navy to leverage its buying power on a nation wide basis
- Web based portal provides a dependable information gathering vehicle

VS Use of SeaPort-e

- SeaPort-e will be the mandatory acquisition vehicle of choice to competitively procure **Engineering, Financial, and Program Management** contractor support services. There will be a logical transition from existing contractor support service contracting vehicles.
  - Use of an alternate vehicle if it is in the best interest of the Government is allowed with appropriate approval.
  - Use of SeaPort-e for other types of services is encouraged, but not mandatory at this time.

Addition of VS to SeaPort-e

- Before VS members may use SeaPort-e (NAVAIR, NAVSUP and SPAWAR), the following will occur:
  - Statement of work reviewed to ensure complete scope of work for all VS members
  - Additional ordering activities added to allow those activities to place their own orders AND
  - Rolling admissions competition conducted to allow additional contractors the opportunity to become SeaPort-e MAC contractors

Contract vehicles will be centralized,

Ordering remains de-centralized

SeaPort-e General Information

- Not a schedule program – no connection with GSA
- Provides each MAC holder a Fair Opportunity to be Considered - all MAC holders in the applicable geographic zone are automatically notified of solicitations via e-mail
- Places all Task Orders solicited and awarded through a web-based portal
  - Always available, remotely accessible
  - Only requires internet access and a web browser, no special equipment or software
  - Will interface with Standard Procurement System
  - NMCI Compliant
- NSWC Dahlgren is the contracting office for the MAC, however, each task must be competed by the activity that has the requirement

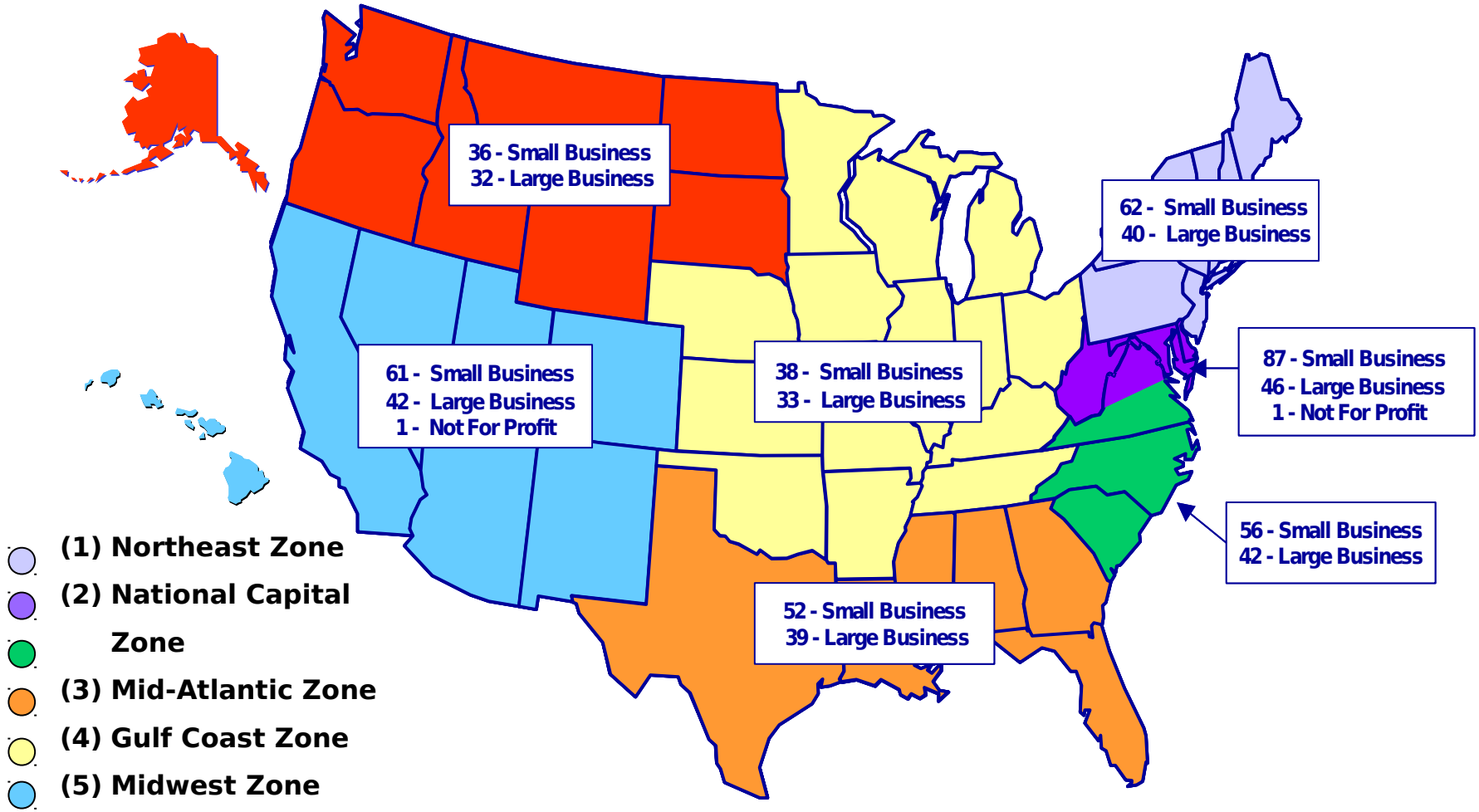
SeaPort–e Strategy

- Currently 151 MAC contractors, 103 are small businesses
- Seven geographic zones
- Task Orders are competed in the Zone corresponding to the Principal Place of Performance
- O-Conus orders competed in zone of ordering office
- Contractors awarded MACs eligible to compete for orders in single or multiple Zones depending upon their own proposed capabilities

Why a Zone approach?

- Preserves local vendor base
- Encourages small business participation
- Provides for future organization and management initiatives
- Facilitates contract organization/ administration (rolling admissions and small business participation)

Geographic Zones
and Current MAC Holders



Current Scope of Work

- **Research and Development Support**
- **Engineering, System Engineering and Process Engineering Support**
- **Modeling, Simulation, Stimulation, and Analysis Support**
- **Prototyping, Pre-Production, Model-Making, and Fabrication Support**
- **System Design Documentation and Technical Data Support**
- **Software Engineering, Development, Programming, and Network Support**
- **Reliability, Maintainability, and Availability (RM&A) Support**
- **Human Factors Engineering Support**
- **System Safety Engineering Support**
- **Configuration Management (CM) Support**
- **Quality Assurance (QA) Support**

Current Scope of Work (cont.)

- **Information System (IS) Development, Information Assurance (IA) and Information Technology (IT) Support**

- **Ship Inactivation and Disposal Support**
- **Interoperability, Test and Evaluation, Trials Support**
- **Measurement Facilities, Range, and Instrumentation Support**
- **Acquisition Logistics Support**
- **Supply and Provisioning Support**
- **Training Support**
- **In-Service Engineering, Fleet Introduction, Installation and Checkout Support**
- **Program Support**
- **Administration Support**

Contract Characteristics

- Five year base and two five year Award Terms - total of 15 years
  - Statutory language limits length of services contracts
  - VS will pursue a waiver to allow the additional contracts to be added through rolling admissions to align with existing contracts (14 years)
- Multiple award contracts allow for orders to be placed on cost-reimbursement, fixed price and cost only basis
  - No Time and Material orders
  - No Undefinitized Orders

SeaPort-e Caps on Rates

- Contractors can not exceed maximums on any task order
- Unique to each MAC holder
  - Fee
    - Maximum – 8.00% - Average 7.56%
  - Pass Through

    (Prime Contractor Charge to administer subcontracts)
    - Maximum – 5.00% - Average 3.46%
  - Guaranteed Savings

    (Savings on high dollar, repetitive tasks)
    - Minimum – 1.00% - Average - 3.66%
  - Escalation

    (Increase in rates from year to year)
    - Maximum – 6.00% - Average - 3.68%

Guaranteed Savings

- For any Task Order with repetitive, high-dollar valued requirements
- Contractor agreed in their proposal “to the maximum extent practicable to reduce the price for services performed under each sequential year” of performance
- Contractor also agreed to provide the Government with a volume discount if it ordered over a certain value
- Both Guaranteed Savings rates were proposed and evaluated

Small Business Strategy

- Zone based strategy encourages small business participation at prime level
  - 68% of current MAC Prime contractors are Small Businesses
- MAC Small Business goals:
  - 33% or more of obligated dollars will be awarded to small business primes
  - 20% or more of obligated dollars to large businesses will be subcontracted to small business
- Actual subcontract performance a factor in Task Order evaluations and Award Term decisions
- Specific subcontracting goals and actuals should be obtained on each TO

Small Business Strategy

- Each Task Order will be reviewed by the cognizant Deputy for Small Business for potential set asides
- Government reserves the right to set aside any requirement – must be noted in the TO Solicitation
- Currently Two Types of Set Asides
  - Complete Set Asides– 100% SB Set Aside
  - Cascading Set Asides – The Government reserves the right to use a cascading set-aside if it is unclear whether or not at least two competitive proposals from qualified small businesses will be received.
- Potential for additional set aside categories, including HUBZONE, 8A, SDVOSB, and WOSB
  - Dependent on participation by enough primes in these categories in the geographic zones to make this possible

The Portal

- Developed in 2001 for SeaPort and enhanced in 2004 for SeaPort-e
- Fully integrated, secure, on-line, e-commerce tool
- Available from any internet enabled computer in the world - fully NMCI compliant
- Developed and managed by Aquilent
- Complete process – requirements determination through close-out
- All Contractors listed and searchable at http://www.seaport.navy.mil/main/home/seaport-e_partners.html for teaming. Webpage provides links to Contractors' web sites (contractor web site is a MAC award reqmt).

Notional Timeline

VS Commanders' decision to proceed	19-Aug-04
Draft Rolling RFP and modifications released	Dec-04
Industry Brief released	Dec-04
Formal RFP and Industry Brief released	Feb-05
Rolling Admissions complete	May-05

Comments/Questions are welcome following release of the Draft RFP/Modifications

Prospective MAC Holders

- Rolling admissions evaluation criteria consistent with criteria for initial awards
  - Evaluation will be conducted of Technical Capability, Management, Past Performance, Price/Cost proposals
  - Complete original solicitation accessible at http://www.seaport.navy.mil/main/home/seaport-e_scope.html
  - Offerors may be awarded contracts that allow them to compete for tasks orders in a single or multiple zones
  - Presence criteria expanded beyond NAVSEA focus to include other Navy Activities
- Only one MAC award per Company

Existing MAC Holders

- Do NOT need to submit a new proposal
- Existing MAC will be modified bilaterally to cover the additional scope and ordering offices
- Opportunity will be provided to add additional zones
- Only one MAC award per Company

Questions

www.seaport.navy.mil will be the home for all Rolling Admissions information

Please direct any and all questions to:

e-pco@seaport.navy.mil